

County Service Area Number 10, Zone A (CSA10A) Nacimiento Water Policies
Adopted by the Board of Supervisors

_____, 2016

NOTE: These Policies are intended to replace the County Service Area No. 10, Zone A (CSA 10A) Nacimiento Water Policies adopted by the Board of Supervisors on October 26, 2004.

1. The capital costs, including debt service, incurred by CSA10A as a result of participating in the Nacimiento Water Project shall be included in the connection fees charged to new development, in accordance with applicable law.
2. Reserves that have been established for Nacimiento as a result of prior connection fees will be utilized for “rate stabilization” purposes. The Nacimiento reserves and connection fee revenues shall be separately accounted for so that the capital and debt costs for Nacimiento are paid from existing Nacimiento reserves and new connection fees before utilizing any other CSA10A source offunding.
3. Requests for permanent allocations of CSA10A Nacimiento water and Whale Rock exchanges with other water purveying entities in Cayucos have the following priority:
 - a. Entities included in the 2003 Nacimiento Project Environmental Impact Report, certified on January 6, 2004, and provided that those entities pay 100% of the costs associated with their requests, and
 - b. Other entities not included in the 2003 Nacimiento Project Environmental Impact Report, provided that those entities propose to serve properties that lie within the Urban Reserve and Urban Services lines as designated in the certified Local Coastal Plan as of March 01, 2016 and pay 100% of the costs associated with their requests.
4. CSA10A will participate with other Nacimiento Water Project participants to negotiate short term water sales of up to 40 acre feet of Nacimiento Water, provided that sufficient water is available to respond to anticipated will-serve requests for the term of the sales agreement.
5. CSA10A will participate with other Nacimiento Water Project participants to negotiate permanent sales of up to 15 acre feet of Nacimiento Water, provided that sufficient water is available to respond to anticipated will-serve requests up to build-out of Cayucos.
6. CSA10A will seek opportunities with other Nacimiento and Whale Rock participants to establish a drought reserve/water storage program designed to benefit the community of Cayucos in the event of prolonged drought.